Slicing the Budget Pie for Big Business

How Three States Allocate Economic Development Dollars, Large Companies versus Small

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How Three States Allocate Economic Development Dollars, Large Companies versus Small

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EXECUTIVE SUMMARY

A detailed analysis of economic development budgets in three diverse states—Florida, Missouri, and New Mexico—finds that at least 68 percent of overall state economic development spending goes to large companies and programs that support those companies. Only a small fraction of state funds—typically about 19 percent—goes to small companies and programs that support their operations. The remaining 13 percent of state spending could not be classified as primarily benefiting large or small companies as program rules were open to companies of any size and programs lacked adequate transparency.

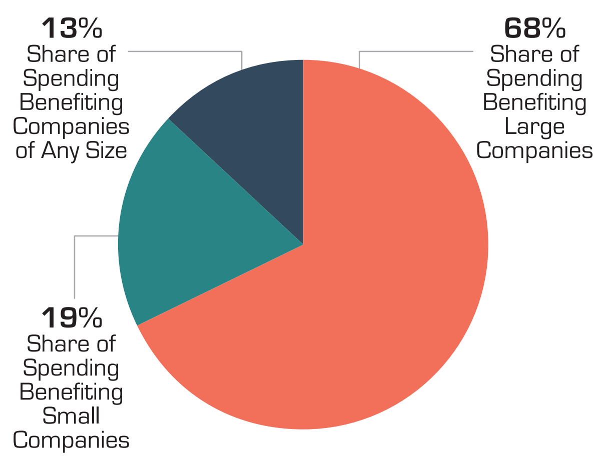
In other words, the economic development budgets of these states are dominated by assistance to large and better-established companies. Far fewer resources are committed to the creation or growth of smaller businesses, despite the fact that they are far more numerous–99.7 percent of all employers nationally have fewer than 500 employees and employ about half of the nation's private workforce–are disproportionate job creators, and are in the greatest need of help, suffering a persistent credit crunch that is hampering U.S. economic growth.

This budget bias is quite consistent among the three states. In Florida, at least 69 percent of state spending goes to large companies, while in New Mexico it's 70 percent and in Missouri 65 percent. In each of the states, only about one out of every five economic development dollars is committed to small businesses and small business development programs, with the balances not discernible.

These findings are based on a careful review of many dozens of state economic development programs and their eligibility and targeting rules; examination of numerous state budget and tax documents; and analysis of entries in our own Subsidy Tracker database.

This is Good Jobs First's third recent study exploring whether state economic development programs are fair to small, local and/or entrepreneurial businesses. *In Search of A Level Playing Field* surveyed leaders of small business organizations with 25,000 members and reported that, by super-majority rates, they believe economic development incentive programs favor large companies and do not meet the needs of small or growing firms. *Shortchanging Small Business* examined more than 4,200 subsidy awards in 14 states and found that on average, 90 percent of incentive dollars and 70 percent of awards went to large

Figure 1. 3-State Estimated Weighted Average Distribution of Economic Development Spending in Florida, Missouri, and New Mexico



firms—even though the programs examined are officially open to companies of any size. Looking at the issue from yet another angle—overall budget priorities—this study again finds state economic development biased against small business. (See Table 1 and Figure 1)

TABLE 1

State	Dollar Value and Share of Budget Benefiting Large Companies	Dollar Value and Share of Budget Benefiting Small Companies	Dollar Value and Share of Budget Allocated in Agnostic Programs	Total
Sum	231,573,843	65,350,345	$47,324,915	$344,249,103
3-State Weighted Average	**68%**	**19%**	**13%**	**100%**

INTRODUCTION

Small, young, and entrepreneurial businesses are a primary driver of job growth throughout the United States. These relatively small, but fast growing companies drive the overall health of our economy: those that succeed to maturity account for significant net job creation, while older, mature firms tend to shed more jobs than they create.[1] This is especially pronounced through the peaks and troughs of the business cycle.[2] Net and gross job creation over time are closely linked to the number of firm births in a regional economy.[3]

The public narrative about job creation reflects some level of understanding about the crucial role small firms play in our economy. Indeed, politicians and economic development officials tend to invoke small business routinely when discussing jobs and growth. But do our economic development budgets line up with such rhetoric?[4]

The issue here is not whether states do anything for small businesses: of course, they all have specific programs designated to aid smaller firms. However, our two previous studies suggested that such efforts are marginal. In *In Search of A Level Playing Field*, we interviewed 41 leaders of small business organizations with 25,000 members; by super-majorities they said state economic development incentives overwhelmingly favor large companies and do not meet needs of small or growing firms.[5] In *Shortchanging Small Business*, we examined 4,228 awards in 16 incentive programs in 14 states and found that on average 90 percent of incentive dollars and 70 percent of incentive awards went to large firms—even though the programs examined are officially open to companies of any size.[6]

In a response to the latter study, some economic development officials challenged our analysis for not being comprehensive enough. By focusing only on one program per state, they argued, we were excluding programs specifically designed for small businesses. We countered that our choice of programs to examine had to do with their being facially open to companies of all sizes; anything else would not have been a valid measure of bias or lack thereof.

However, to acknowledge these criticisms that targeted small business programs merit being counted, we devised this study's methodology. Working from a subset of the 14 states that had available spending data, we examined economic development budgets in three states—Florida, Missouri and New Mexico—to determine the share of state resources dedicated to small versus large businesses. In other words, this study examines the allocation of all spending in three states' economic development toolboxes.

Good Jobs First believes that this unequal distribution of state economic development dollars has become more pronounced since 2008 as states have awarded more and more expensive "megadeals" to a small number of very large companies. In January 2016, Massachusetts and Boston dedicated $145 million to attract GE's headquarters from Connecticut—the costliest deal in Bay State history. In 2014, Nevada and localities near Reno approved $1.3 billion in subsidies to Tesla's new battery factory, requiring a special legislative session. It was the Nevada's costliest deal ever by a factor of 14, and it soon awarded $335 million to another electric-car venture, Faraday. This list continues: Boeing, Sempra Energy, Nike, Intel, Cerner, SolarCity, Northrop Grumman, and Continental Tire all have extracted subsidy megadeals in recent years.[7] While these companies grab front-page headlines (and the lion's share of the subsidy dollars), what happens to small businesses just getting a foothold in the economy?

We explore that question here in Florida, Missouri and New Mexico. We chose those states because they publish better than average data on economic development spending, because they have diverse economies and political landscapes, and because they have all had robust recent debates about the use—and abuse—of economic development dollars.

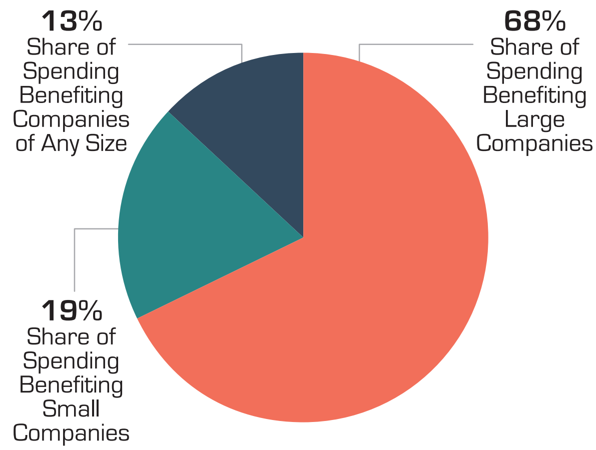
SLICING THE BUDGET PIE FOR BIG BUSINESS

Large businesses win at least two-thirds of all programmatic economic development spending in three diverse states: Florida, Missouri, and New Mexico. Conversely, economic development program budgets give short shrift to small businesses, even though they are far more numerous and in much greater need of assistance. Just one in five program dollars clearly benefit small businesses. The balance, one in eight dollars, can't be classified as benefiting either small or large businesses, but likely favor big business as well.

In other words, state economic development resources are skewed to create a "winner-take-all" economy where large corporations win the lion's share of job subsidy spending. This despite the fact that small firms are far more numerous –99.7 percent of all employers nationally have fewer than 500 employees and employ about half of the nation's private workforce– , are disproportionate job creators, and are in the greatest need of help, suffering a persistent credit crunch that is hampering U.S. economic growth.[8] (See Figure 1 and Table 2)

This finding is remarkably consistent across the three states we surveyed with only minor variances in the split of how states are spending their economic development budgets. In Florida, 69 percent of the dollars are being steered to large companies while in Missouri the share is 65 percent and in New Mexico it is 70 percent.

Figure 1. 3-State Estimated Weighted Average Distribution of Economic Development Spending in Florida, Missouri, and New Mexico



When states do support start-ups, small and entrepreneurial companies, such programs are often housed outside of the main economic development agencies. In Florida, the main provider of small business assistance is Florida Small Business Development Center, while in Missouri it is Missouri Technology Corporation. Those agencies are funded by state appropriations, along with federal, local, and private grants. The state appropriations, however, are dwarfed by states' traditional economic development incentive expenditures, especially tax expenditures.

TABLE 2

State	Dollar Value and Share of Budget Benefiting Large Companies	Dollar Value and Share of Budget Benefiting Small Companies	Dollar Value and Share of Budget Allocated in Agnostic Programs	Total[9]
Florida	$92,530,737	$26,525,076	$15,794,116	$134,849,929
	69%	20%	12%	100%
Missouri	$94,988,506	$27,410,998	$23,693,199	$146,092,703
	65%	19%	16%	100%
New Mexico	$44,054,600	$11,414,271	$7,837,600	$63,306,471
	70%	18%	12%	100%
Total	$231,573,843	$65,350,345	$47,324,915	$344,249,103
Average Share	67%	19%	14%	100%
3-State Weighted Average	**68%**	**19%**	**13%**	**100%**

METHODOLOGY

State Selection

Florida, Missouri, and New Mexico were among the 14 states whose programs we scanned in depth for *Shortchanging Small Business*. We found that they all publish the data necessary to conduct a spending-allocation analysis. They also have diverse economic and political geographies, and they reflect the debates now raging in many state capitols about job subsidies.

Each state practices above-average transparency and tax expenditure reporting. Without such data, an allocation analysis would not be possible. Missouri is particularly exemplary in this regard: it even breaks out spending on economic development programs by the size of the companies benefiting. We now recognize this as a best practice and encourage other states to do the same. All three states do a decent job reporting, relative to other states, the costs of economic development programs in tax expenditure budgets; however as in most states, there are gaps in the information reported.

The three states are diverse. While Florida is the third most populous state, Missouri is the 18th, and New Mexico is the 36th. Each well represents a distinct U.S. region: the South, the Midwest, and the West. During the time periods examined, these states have also had governors of all political stripes and currently have two sitting Republican governors and one Democrat. None of these states is dominated exclusively by a single political party.

Debates in their state capitols also reflect the wider national discussion on the use and misuse of state economic development programs. Missouri faces a costly job poaching border war with its neighbor Kansas. Its Republican-majority legislature and Democratic governor have extended the offer of a legally binding two-state cease fire, but Kansas has not yet reciprocated.[10] Florida's privatized economic development agency, Enterprise Florida, has had recurring scandals and many question whether the costs outweigh the benefits of the current approach.[11] The state legislature has recently rejected the governor's budget request for an additional $250 million for subsidies. New Mexico has a similar debate raging about costs versus benefits in addition to struggling with transparency, ethics, and a stagnant economy.[12]

Program Selection

Creating a roughly comparable list of economic development programs across the three states proved difficult. Acknowledging those difficulties, this study focuses on job creation and investment programs and excludes programs for purposes such as affordable housing, historic preservation, or the physical development of an area.

Even using that screen, creating the lists was not easy. States attach their own "spins" to similar programs; programs are numerous; and they are often housed among different agencies. States do not have one central website where they list all economic development support programs; website content reflects agency "silos," and those silos are inconsistent. For example, one state's tax exemptions for renewable energy may be housed in an economic development agency, while other states may administer them in departments of revenue or energy. We decided to focus primarily on programs listed on economic development agency websites, because a typical business owner seeking to learn about state support for business is most likely to peruse such a website.

To maintain consistency, we excluded or included various types of programs across the three states in the same way. For example, when we excluded historic preservation tax credits in Missouri from our research because the main policy objective of the program is not job creation but rather rehabilitation of historic structures, we excluded that program from other states as well.

Our report only considers distribution of *state resources devoted to helping businesses*. Programs funded by federal or local money—for example via the Small Business Administration, Community Development Block Grants, or local property tax abatements—were not included. In Florida, for instance, we excluded Incumbent Worker Training as funding for this program comes from the federal government.

States often rely on federal grants to finance small business programs. We had to exclude several small business development programs from our analysis because they were funded by the federal rather than state government. For example, the 2010 Small Business Jobs Act created the State Small Business Credit Initiative (SSBCI) that provided almost $1.5 billion to state governments in support of small businesses.[13] Florida was granted $97. 7 million, which the state used to fund Small Business Loan Support Program, Florida Venture Capital Program, Florida Export Support Program, and Florida Capital Access Program. Missouri used its $27 million to create Missouri IDEA Seed and Venture Capital Funds, and Grow Missouri Loan Participation Fund. New Mexico used $13 million for its Loan Participation Program.[14]

If local, state, and federal monies were mixed in a program but there was an easy way to disaggregate the source of funds, we included the state cost for that program. But we excluded any costs that accrue to local governments. For example, Missouri's Tax Increment Financing and New Mexico's Tax Increment Development Districts include both state and local tax diversions. We included the state tax diversions but not local ones.

We also excluded as-of-right tax credits or exemptions that have no specific job creation requirements, since those are typically tax provisions written into a state tax law. Examples are energy-efficiency or agricultural subsidies.

Film tax credits pose an interesting challenge to this analysis: on the one hand, these programs are aimed to create jobs in film production; on the other hand, the jobs created are temporary and companies disappear from the area when productions are completed. Often an ancillary purpose of those programs is to encourage tourism.

In addition, many production companies claiming film tax credits appear on paper to be small businesses with few employees. However, those companies are often owned by or controlled by a large Hollywood studio. For example, in New Mexico, T Salvation productions, which received $19 million in tax credits for a 2009 film, is actually a production company created for the film *Terminator Salvation,* a Columbia Pictures project with a budget of over $200 million.[15]

Tracking down the ownership structures of these short-lived companies isn't always easy: many appear and then disappear after films are wrapped and the names are often changed to conceal the actual name of the film being shot or the parent company. Hollywood frequently makes use of LLC corporate structures as part of a risk avoidance strategy.[16] If a production loses money or goes bankrupt, a small LLC can go under without harming the finances of the larger production company backing the project. All of this, we determined, makes it difficult if not impossible to accurately categorize film subsidies as directed at small or large businesses. For this reason, we excluded film tax credits from this analysis.

We also excluded community development or "place-making" programs, as they are designed to increase property values and improve quality of life in designated areas rather than to directly create jobs. We also excluded programs that support main street redevelopment. Funds from those programs go to physical improvements of a district and do not directly support specific businesses in job creation. Similarly, we excluded sport and stadium support programs as those are about boosting civic and local pride.

Besides traditional economic development programs for job creation such as tax breaks and upfront grants, we included in our universe brownfield redevelopment programs, Enterprise Zones, and Industrial Revenue Bonds as those programs do benefit specific companies and aim to increase employment at the establishments.

We also included programs that are inactive or phasing out if they still entail a fiscal cost to a state.

We wanted to be inclusive in our selection of small business development programs because the needs of small companies differ greatly from the needs of larger companies. As a result, our lists include state supported networks of small-business organizations, technical assistance programs, or export support programs. In this sense, our findings err to the generous in dollar allocations to small business, since these programs often benefit groups of companies rather than individual firms.

Data collection

If different program cost figures were available, we used the amounts actually paid out to companies or tax credits actually claimed by companies. For example, Florida's 2014 Annual Incentive Report lists a few types of costs for major programs: amount of incentives approved, subsidies paid to businesses, and tax credit awarded. We collected data on the amounts paid to companies. If expenditure amounts were not available, we included any costs we could obtain. For programs that do not offer firm-specific assistance but instead provide technical support, we strived to include operational budgets of those programs. For loans, if applicable, we used face value of loans (because it would be very difficult to estimate actual costs of those loans to states or actual savings those low-interest loans provide to companies).

To get a snapshot of budget distributions, we attempted to look at a single year of data for 2014.

We collected the cost data from annual incentive reports, annual performance reports, various Comprehensive Annual Financial Reports (CAFRs), and state, agency, and program budgets. We also contacted agencies administrating selected programs. However, we found that few agencies administering the subject programs were eager to respond to our requests for additional information on their budgeting practices. As a result, much of our research relies on publicly available downloadable data, our own Subsidy Tracker records, and budget documents.

Allocating Program Costs: Small, Large and "Agnostic"

After assembling the list of programs and related costs, we divided the programs into three categories: those programs accessible to and benefiting: small companies, large companies, or any-sized companies (often referred to in this report as "agnostic" programs).

Our definitions of a small business and a program accessible to any-size company are the same ones we used in two recent reports. Our small business definition includes companies with 100 or fewer employees (in this report as in the previous one, we consider subsidy deals with more than 150 jobs required as large companies—leaving a significant margin for error and meaning that our estimates are rather conservative).

If a program requires fewer than 10 jobs and/or less than $100,000 in investment, or has no job/investment requirement, we categorized that program as accessible to any size company.

If a program required more than 10 jobs and/or $100,000 in investment, we marked that program as accessible to large companies only.

If a program is specifically designed for small businesses, we marked that program as accessible to small companies only. Even though some of those programs follow the Small Business Administration definition of a small business, which is 500 employees or less, we still marked those programs as accessible to small businesses. We based our decision on the fact that agencies told us that the typical company benefiting from those small business programs has no more than 50 or 100 employees, depending on a program.

Allocating Dollars within Agnostic Programs

To allocate spending within nine agnostic programs, we replicated the methodology we created for our previous study, *Shortchanging Small Business.* We used our Subsidy Tracker's corporate parent records and we also examined in more detail the top quarter of recipients by subsidy dollar value.

Those programs are as follows:

- Florida's Brownfield Redevelopment Bonus, Economic Development Transportation Fund, Quick Action Closing Fund, Qualified Defense and Space Contractor Tax Refund, Quick Response Training, and Urban Jobs Tax Credit;
- Missouri's New Jobs Training Program; and
- New Mexico's Job Training Incentive Program as well as the Technology Jobs and Research and Development Tax Credit.

First we looked at all awards in those programs that are in Subsidy Tracker (to get a larger sample, we looked at all available years included in our database). If a recipient has a corporate parent matched in our Subsidy Tracker database, we know it is a large company (we capture some of the 2,000 largest companies on the planet).

We also categorized as large companies entries with Subsidy Tracker job data showing the project involved creation, retention or training of 150 or more jobs.

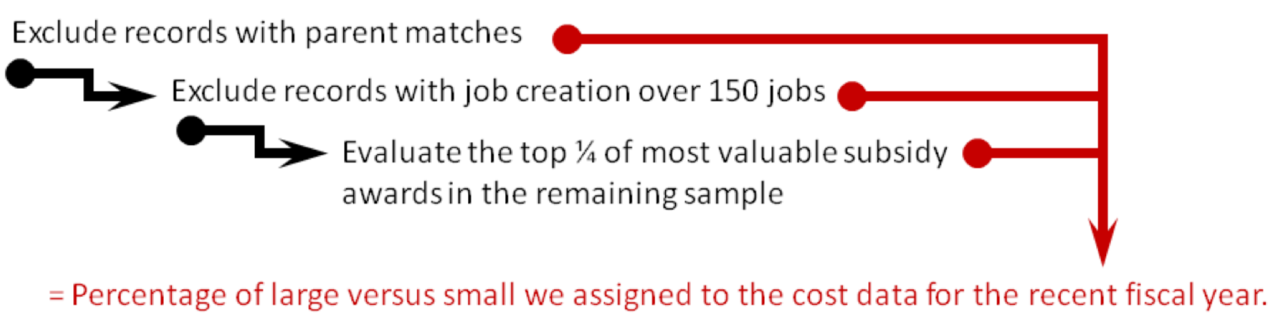
Because it would be too time-consuming to research all remaining entries, we next looked at the top 25 percent of all entries for each program, organized by subsidy value. For entries that were not yet categorized as large, we did additional research to check each recipient size. We researched company information in databases such as Dun and Bradstreet and LinkedIn, LexisNexis news coverage of the subsidy award, and company websites.

After tallying the subsidies in our Subsidy Tracker database accruing to companies that fit one of those three criteria, we then assigned a large-company share estimate for that year based upon our sample. For example, if matches in a Subsidy Tracker program had $1 million in parent matches, $1 million in matches attached to records with greater than 150 jobs created, and $2 million matched as large companies within the top quarter of the most valuable subsidies remaining, and there were $10 million in total subsidies awarded in the sample, we would divide $4 million into $10 million. A ratio of 40 percent would then be multiplied by the most recently available cost for that program and assigned as the share of the cost of that program that we estimate benefits large companies. It is important to note that these percentages were calculated without rounding. If the most recent annual cost was two million dollars for that program's budget, $800,000 would be assigned as benefiting large companies while $1,200,000 would be assigned as benefiting small business. This is a conservative estimate and it likely over-estimates benefits to small business because it does not subject most of the three quarters least-costly awards to the close analysis that would likely link more deals to large firms. (See Figure 2)

For programs we previously researched in our *Shortchanging* report, we simply applied the ratio of dollars accruing to large versus small businesses to the annual cost figure.

Unfortunately, we were not able to use these methods to examine every agnostic program. A few such programs have no disclosure and thus are not in Subsidy Tracker. We left those programs in "accessible to any company" category. For this reason as well, we believe our findings on the whole underestimate the distribution of subsidies to large businesses.

Figure 2. Program Evaluation Process for Agnostic Records



STATE-SPECIFIC FINDINGS

Florida

Florida's allocation of dollars for economic development is emblematic of the "winner-take-all" economy with a small number of large corporations benefiting the most: 69 percent, or $93 million, of state's economic development dollar allocation go to large companies. At the same time, the four-decade old Florida Small Business Development Center, an independent organization that is the main provider of business assistance to small companies in the state, received its first direct state appropriation only in 2014.

Only a small fraction of the state funds, $26 million, go to small firms or to programs that support those companies. Among the major forms of assistance to small business are Florida Opportunity Fund's Fund-of-Funds Program and Florida Small Business Development Center.

Unfortunately, we were unable to collect for Enterprise Florida, the state's public-private development agency, data associated with seven small business development programs. Thus our estimate slightly understates the true distribution of economic development dollars accruing to small businesses. This is important to mention when discussing these findings. Programs subsidizing large companies cost the state about $93 million, four and a half times the amount we can allocate to small business programs. Among those are the Innovation Incentive Program created in 2006 to attract science and technology R&D projects to Florida. As of 2013, the program had paid out $765.7 million to *just 10 large, well-established companies (including Embraer and Scripps)*.

Programs which we could not clearly assign to large or small-company benefit carry a hefty price-tag in Florida: $66 million. Florida's costliest economic development programs have no specific job creation or capital investment requirements and hence are facially agnostic. Instead, projects are evaluated on case-by-case scenario and subsidies are awarded based on several criteria, including the number of jobs created or retained.

To allocate funds from those agnostic programs, we replicated research we performed in the *Shortchanging Small Business* study (see the methodology section). We performed this research on six Florida programs: Brownfield Redevelopment Bonus, Quick Action Closing Fund, Quick Response Training (now FloridaFlex), Qualified Defense and Space Contractor Tax Refund, Urban Jobs Tax Credit, and Economic Development Transportation Fund.

Using that method, we found that a majority of dollars in every program went to large companies. From smallest to largest share, they lined up as follows: Urban Jobs Tax Credit (73 percent of the dollars estimated to benefit large companies), Brownfield Redevelopment Bonus (83 percent), Quick Response Training (83 percent), Economic Development Transportation Fund (85 percent), Quick Action Closing Fund (97 percent), and Qualified Defense and Space Contractor Tax Refund (100 percent). We applied these rates to the most recently available annual program cost figures. (Entries are marked with an * if this method was utilized to estimate the split between large and small program costs in Table 2).

We also allocated the annual cost of the Qualified Target Industry Tax Refund (QTI). Even though the program is structured to be accessible to all size companies, our study *Shortchanging Small Business* showed that 89 percent of the subsidies from this program went to large companies.[17] As a result, we estimated that $5.6 million benefits large companies. Just one in five dollars of Florida's economic development spending is going to small business and another 12 percent cannot be clearly assigned. But based upon our Subsidy Tracker data, it seems likely that most of that 12 percent benefits big, not small businesses. (See Tables 3 and 4)

Figure 3. Estimated Distribution of Subsidies Across Florida Economic Development Spending

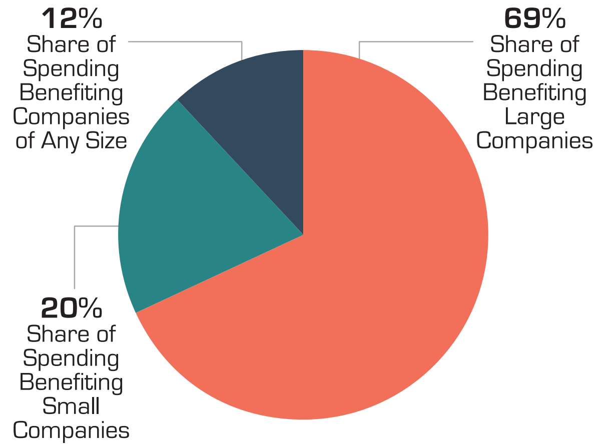


TABLE 3. Entries in Subsidy Tracker

Program	Years in ST	Number of entries	Number of entries marked as **Large**	Percentage of entries marked as **Large**	Subsidy total	Subsidy total connected to entries marked as **Large**	Percentage of subsidy total marked as **Large**
Brownfield Redevelopment Bonus	2002-2014	76	44	58	$21,942,400	$ 18,196,400	83
Economic Development Transportation Fund	1995-2012	211	139	66	$187,078,074	$ 158,726,529	85
Quick Action Closing Fund	2000-2014	117	93	79	$184,370,996	$ 178,768,296	97
Quick Response Training	2010-2012	108	60	56	$21,637,699	$ 17,954,068	83
Qualified Defense and Space Contractor Tax Refund	1997-2011	15	15	100	$13,635,888	$13,635,888	100
Qualified Target Industry Tax Refund (QTI)	2009-2013[18]	346	268	77	$148,756,810	$132,115,910	89
Urban Jobs Tax Credit	2007-2011	61	33	54	$3,600,500	$2,616,500	73

TABLE 4. Florida program splits

Program	Program Cost Year and Type	Cost of Programs Open to Large Companies	Cost of Programs Open to Small Companies	Cost of Programs Open to Any Size Companies
Black Business Loan Program (i)	FY 2014 amount of loans or loans guarantees		$660,679	
Brownfield Redevelopment Bonus Refund (i)	FY 2014 amount paid	$496,802	$102,274	*
Capital Investment Tax Credit (i)	CY 2013 amount claimed	$7,174,654		
Economic Development Transportation Fund (i)	FY 2014 Amount paid	$11,313,966	$2,020,887	*
Economic Gardening Technical Assistance Pilot Program (GrowFL) (ii)	FY 2014 State appropriations		$0	
Enterprise Zone (i)	FY 2014 State credits approved			$15,767,116
Export Marketing Plan			Not Available	
Florida Opportunity Fund: Fund-of-Funds Program (iii)	as of FY 2014 amount distributed		$15,077,000	
Florida Small Business Development Center Network (housed at University of West Florida) (iv)	FY 2014 State budget appropriations		$4,000,000	
Florida Small Business Technology Growth Fund (i)	FY 2014 No activity		$0	
Gold Key/Matchmaker Grants			Not Available	
High Impact Performance Incentive Grant (i)	FY 2014 Maximum payment in that year	$6,600,000		
Industrial Revenue Bonds				Not Available
Innovation Incentive Program/Fund (i)	FY 2014 amount paid	$20,058,513		
Minority Business Development: "G6" Partner Network			Not Available	
Qualified Defense and Space Contractor Tax Refund (i)	FY 2014 amount paid	$678,266		*
Qualified Target Industry Tax Refund (QTI) (Shortchanging showed 89 percent of the dollars go to large businesses) (i)	FY 2014 amount paid	$5,595,493	$691,577	*
Quick Action Closing Fund (i)	FY 2014 amount paid to businesses	$15,296,635	$479,405	*
Quick Response Training (now FloridaFlex) (i)	FY 2014 approved Funds	$15,464,346	$3,172,815	*
Research and Development Tax Credit (v)	CY 2014 credits allocated (also statutory cap)	$9,000,000		
Rural Jobs Tax Credit (i)	CY 2013 tax credits approved			$27,000
SBIR/STTR "Phase 0" Pilot Program			Not Available	
Strategic Partnerships with Small Business Programs			Not Available	
Target Sector Trade Grants			Not Available	
Urban Job Tax Credit	CY 2013 tax credits approved	$852,061	$320,439	*
Total		**$92,530,737**	**$26,525,076**	**$15,794,116**

Sources: (i) EFI and DEO 2014 Annual Incentive Report. (ii) Florida Department of Economic Opportunity 2013-2014 Annual Report. (iii) Florida Opportunity Fund, Fiscal Year End June 30, 2014, Annual Report. (iv) SBDC Florida 2015 Annual report. (v) Research and Development Tax Credit for Florida Corporate Income Tax, 2014 Allocation Report, Florida Department of Revenue.

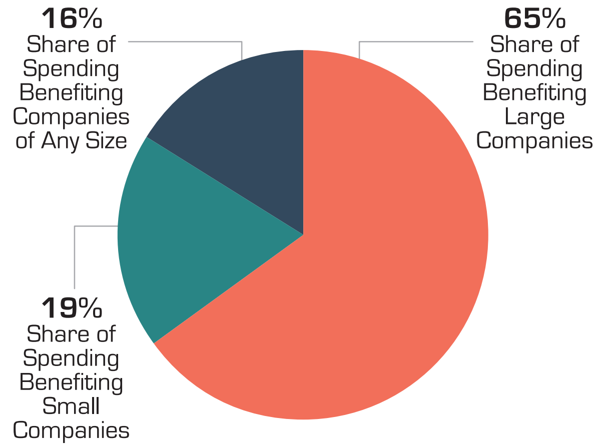
Missouri

Missouri's economic development spending primary benefits large companies, with 65 percent of economic development dollars, or $95 million, going to large companies and only 19 percent, or $27 million, to small firms.

Our analysis of Missouri spending differs somewhat from Florida and New Mexico. Missouri's Department of Economic Development provides robust data on the distribution of economic development dollars between large and small firms, a terrific innovation that we recognize here as a new best practice in state transparency. While that made our analysis less tedious, it tells the same story: big companies dominate economic development spending.

Missouri's Department of Economic Development Annual Incentive Report details subsidy amounts issued to small (fewer than 100 employees), medium (100 to 500 employees), and large (more than 500 employees) companies. For programs included in the Report with this breakdown, we followed the state's splits, counting the "medium" group as large. For programs for which we had costs but not breakdowns, we examined programs' eligibility requirements. Given the richness of the state's data between small and large companies, we were required to do additional research on only one agnostic program: the New Jobs Training Program (now Missouri Works Training).
Not all of the programs in our analysis derive from the Annual Report; we added small business development programs. The Missouri Department of Economic Development did not respond to our inquiries about the costs of those programs. However, we were able to find cost estimates in other official documents.
Of dollars benefiting large companies, the largest sum, $41 million, was distributed via Missouri Quality Jobs, a discontinued program that still generates costs as companies claim past awards. Small companies also benefited from this program but for every $4 spent on large companies, small businesses received only $1. The Enhanced Enterprise Zone program is the second largest benefit to small companies, but even the majority of its dollars also benefit large firms.

Figure 4. Estimated Distribution of Subsidies Across Missouri Economic Development Spending



Missouri Technology Corporation, a public-private partnership helping entrepreneurial companies, received a $6.3 million state appropriation in the year we examined. Notably, in FY 2016, state support for the MTC increased to $15.7 million.[19]

In 2013, Missouri overhauled its economic development subsidy scheme. The state phased out its major programs and replaced them with Missouri Works. The program includes five components, each specifically designed for companies creating small, medium, or large numbers of jobs. Our *Shortchanging Small Businesses* report found that 69 percent of awards and 89 percent of Missouri Works dollars went to large, out of state-based, and/or publicly traded companies. (See Tables 5 and 6)

TABLE 5. Entries in Subsidy Tracker

Program	Years in ST	Number of entries	Number of entries marked as **Large**	Percentage of entries marked as **Large**	Subsidy total	Subsidy total connected to entries marked as **Large**	Percentage of subsidy total marked as **Large**
New Jobs Training Program (now Missouri Works Training[20])	2000-2015	80	54	68	$73,481,446	$56,122,696	76

TABLE 6. Missouri program splits

Program	Program cost and type	Cost of Subsidies to **Large** Companies	Cost of Subsidies to **Small** Companies	Cost of Subsidies to **Any Size** Companies
Brownfield Jobs and Investment (i)	CY 2014 amount issued		$197,740	
Brownfield Remediation (same as Brownfield Redevelopment Program) (i)	CY 2014 amount issued	$317,851	$1,941,917	
Business Use Incentives for Large-Scale Development(BUILD) (ii)	FY 2014 amount issued	$13,250,000		
Business Facility Tax Credit Program (i)	CY 2014 amount issued	$6,021,599	$81,059	
Chapter 100 Sales Tax Exemption, Personal Property				Not Available
Customized Jobs Training Program, aka Missouri Works Job Development Fund (now part of Missouri Works Training) (i)	CY 2014 amount issued			$13,239,328
Enhanced Enterprise Zone (i)	CY 2014 amount issued	$4,470,251	$3,079,834	
Global Market Access Program (ii)	FY 2014 assets in the fund for redistribution		$427,770	
Industrial Development Bonds (via MDFB) (ii) (iii)		$0	$0	$0
Manufacturing Jobs Program (i)	CY 2014 amount issued	$16,379,189		
Missouri Small Business & Technology Development Center (iv)	FY 2014 Budget appropriation		$700,000	
Missouri Quality Jobs Program (i)	CY 2014 amount issued	$40,886,473	$10,351,650	
Missouri Technology Investment, including: Missouri Technology Corporation, Innovation Centers, and Manufacturing Extension Partnership (iv)	FY 2014 Budget appropriation		$6,360,000	
Missouri Works Program (i)	CY 2014 amount issued	$176,872	$579,281	
New Jobs Training Program (now Missouri Works Training) (i)	CY 2014 amount issued	$2,158,892	$670,586	*
Rebuilding Communities (i)	CY 2014 amount issued		$1,734,694	
Retained Jobs Training Program (now Missouri Works Training) (i)	CY 2014 amount issued	$11,327,379		
Small Business Incubator Tax Credit (i)	CY 2014 amount issued		$122,421	
Small Business Loan Program (including Small Business Disaster Loan Program) (ii)	FY 2014 assets in the fund		$1,064,046	
State Supplemental Tax Increment Financing (i)	CY 2014 amount issued			$10,453,871
Urban Enterprise Loan (i)	CY 2014 amount issued		$100,000	
TOTAL		**$94,988,506**	**$27,410,998**	**$23,693,199**

Source: (i) 2015 Tax Credit Accountability Report, Missouri Department of Economic Development. (ii) Missouri Development Finance Board, Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2014. (iii) Email communication with MDFB, January 2016. (iv) 2015 Executed Budget, Department of Economic Development, Financial Summary.

New Mexico

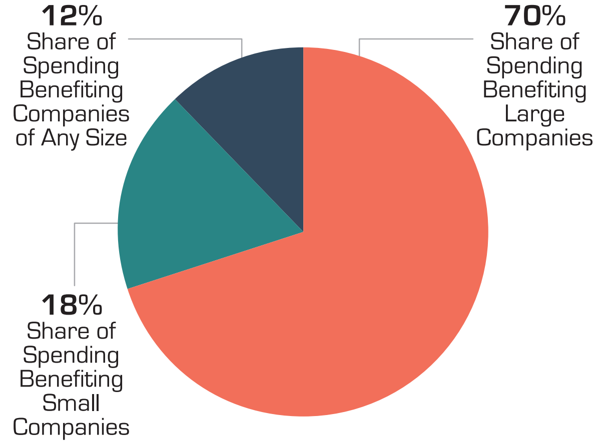
While Florida is the third most populous state in the U.S., New Mexico is a relatively small state with a small population roughly one-third the size of Missouri. New Mexico is also the least urbanized of the three states, and it has the fewest economic development programs. It also has a greater preponderance of employment in smaller firms: according to the Small Business Administration, just 45 percent of New Mexico employees work at companies with more than 500 employees, while 57 percent of Florida employees and 52 percent of Missouri employees work at large business establishments.[21] With fewer people employed at large companies, one would expect economic development resources to predominantly be focused on smaller companies that would grow the state's economy. But the distribution of resources again favors larger, not smaller companies.

Very similar to the other two states, 70 percent of New Mexico's spending accrued to large companies, 18 percent benefited small businesses, and 12 percent could not be clearly allocated to companies of any size.

Of the $63.3 million in economic development program spending we looked at, $44 million went large businesses, or roughly 70 percent of the state's portfolio. That left 18 percent, or $11.4 million, for small business and 12 percent or $7.8 million within programs that could benefit small or large companies.

While the state has numerous programs aimed at helping small businesses, including Angel Investment Tax Credits and the New Mexico Small Business Assistance (NMSBA) Program, a handful of programs with much bigger budgets benefit bigger companies. For example, our

Figure 5. Estimated Distribution of Subsidies Across New Mexico Economic Development Spending



analysis of the High-Wage Jobs Tax Credit in *Shortchanging Small Business* found that 93 percent of its dollars go to big businesses. About a third of the state's economic development portfolio in a given year is dedicated to this program alone.

More than three-quarters of the entries in Subsidy Tracker from the Investment Tax Credit for Manufacturers match to large parent companies. This program accounts for a sixth of the state's spending on job subsidies. It also has capital investment rules that effectively steer the dollars towards big business: a minimum capital investment of $500,000. Similarly, the Locomotive Fuel Gross Receipts & Compensating Tax Exemption has a very large capital investment requirement (at least $50 million) and is a significant benefit to the Union Pacific Railroad.[22] In fact, spending on this program alone is about the same as spending on all programs directly dedicated to small businesses. Likewise, the state's technology related tax credits are dominated by companies with parent matches in our Subsidy Tracker database.

Two programs in New Mexico have agnostic rules and also appear in Subsidy Tracker: the Job Training Incentive Program and the Technology Jobs Tax Credit. This enabled us to provide a reasonable estimate of the split between dollars to large and small companies. And we had previously researched the dollar split in the High-Wage Jobs Tax Credit program.

For New Mexico's Job Training Incentive Program, we found that *at least* $40.7 million out of $65.7 million in our multi-year Subsidy Tracker sample accrued to large businesses, or about 62 percent. We applied this percentage to the $4 million reported by the agency in its 2014 annual report on the program (entries are marked with an * if this method was utilized to estimate the split between large and small program costs in Table 4).[23]

For New Mexico's Technology Jobs Tax Credit, we found that *at least* $8.98 million out of $13.3 million in our Subsidy Tracker sample accrued to large businesses, or about 68 percent. We applied that share to the $5.1 million reported by the agency in the 2013 tax expenditure report (again, marked with * in Table 4). Our methodology section details this process. (See Tables 7 and 8)

TABLE 7. Entries in Subsidy Tracker

Program	Years in ST	Number of entries	Number of entries marked as **Large**	Percentage of entries marked as **Large**	Subsidy total	Subsidy total connected to entries marked as **Large**	Percentage of subsidy total marked as **Large**
High-Wage Jobs Tax Credit	2011-2013	237	166	70	$77,674,167	$71,950,155	93
Job Training Incentive Program	2008-2015	365	66	18	$65,711,982	$40,682,561	62
Technology Jobs Tax Credit	2011-2013	237	59	25	$13,329,228	$8,980,239	67

TABLE 8. New Mexico program splits

Program	Program cost and type	Cost of Subsidies to **Large** Companies	Cost of Subsidies to **Small** Companies	Cost of Subsidies to **Any Size** Companies
Angel Investment Credit (i)	FY 2014 Program Cap		$2,000,000	
High Wage Jobs Tax Credit (93% of dollars went to big business per Shortchanging Small Business study) (i)	FY 2013 Expenditure	$20,183,046	$1,519,154	*
Industrial Revenue Bonds	Not Available[24]			
Investment Tax Credit for Manufacturers (i)	FY2013 Expenditure	$10,147,900		
Job Mentorship Tax Credit (i)	FY 2014 Expenditure			$14,400
Job Training Incentive Program (i)	FY 2014 Expenditure	$2,492,371	$1,533,400	*
Local Economic Development Act (LEDA) Capital Outlay Funds (i)	FY 2014 Expenditure			$3,285,000
Locomotive Fuel Gross Receipts & Compensating Tax Exemption (i)	FY 2014 Expenditure	$7,800,000		
New Mexico Small Business Assistance (NMSBA) Program (iii)	FY 2014 Amount Invested		$4,700,000	
Rural Jobs Tax Credit (i)	FY 2013 Expenditure			$71,400
Rural Software Development Gross Receipts Tax Deduction (i)	FY 2014 Expenditure			$1,480,000
Space Gross Receipts Tax Deductions (i)	FY 2014 Expenditure			$100,000
Technology Jobs and Research and Development Tax Credit (i)	FY 2013 Expenditure	$3,431,283	$1,661,717	*
TIDD (TIF) (i)	FY 2014 Expenditure			$2,351,800
Technology Transfer (ii)	FY 2015 Budget Appropriation			$300,000
New Mexico Start Up Factory	Not Available			
Trade Support Company in a Border Zone (i)	FY 2014 Expenditure			$235,000
TOTAL		**$44,054,600**	**$11,414,271**	**$7,837,600**

Sources: (i) 2014 New Mexico Tax Expenditure Report, New Mexico Taxation and Revenue Department[25] (ii) FY 2015 General Appropriation Act of 2015, New Mexico Legislature. (iii) New Mexico Small Business Assistance Program 2014 Legislative Flyer.[26]

POLICY CONCLUSION

We reiterate here the key policy recommendations we made in *Shortchanging Small Business*, to create more fairness. We also add two new policy ideas to make this analysis more possible and common.

First, the new recommendations for enhanced transparency:

Disaggregated Disclosure: We urge other states to emulate Missouri's Tax Credit Accountability Report in its reporting of subsidy awards to firms in three different size ranges (see screenshot of this report). This allows legislators and the public to quickly and easily scan economic development budget documents and grasp the allocation of dollars to companies of all sizes.

Screen-shot of Missouri's annual Tax Credit Accountability Report disaggregating the dollar distributions across company sizes.

DED Incentives Reported by Business Size

January 1, 2014 to December 31, 2014

Business Size	Less than 100	100-500	>500
Applicable Programs Reporting:			
Amateur Sporting Contribution	$ -	$ -	$ -
Amateur Sporting Ticket Sales	$ -	$ -	$ -
Brownfield Demolition	$ -	$ -	$ -
Brownfield Jobs and Investment	$ 197,740.00	$ -	$ -
Brownfield Remediation	$ 1,941,917.33	$ 317,851.31	$ -
Business Facility	$ 81,059.00	$ 24,233.00	$ 5,997,366.00
Business Incubator	$ 122,421.47	$ -	$ -
Capital SBIC	$ -	$ -	$ -
Certified Capital Companies	$ -	$ -	$ -
Charcoal Producers	$ -	$ -	$ -
Community Bank	$ -	$ -	$ -
Development Tax Credit	$ 172,400.00	$ -	$ 1,996,841.42
Distressed Areas Land Assemblage	$ -	$ -	$ -
Enhanced Enterprise Zone	$ 3,079,833.98	$ 2,956,497.78	$ 1,513,754.46
Enterprise Zone	$ -	$ -	$ -
Family Development Account	$ -	$ -	$ -
Film Production	$ 25,000.00	$ 2,748,097.38	$ -
Historic Preservation (Developers Only)	$ 48,570,635.46	$ -	$ -
Loan Guarantee Fee	$ -	$ -	$ -
Missouri Manufacturing Jobs*	$ -	$ 50,379.00	$16,328,810.41
Missouri Quality Jobs	$ 10,351,650.28	$ 9,290,579.47	$31,595,894.91

States could even go a step further by disclosing more important details about the types of companies receiving incentive awards. The complications with ownership structures for some types of programs can all too easily conceal the true beneficiary of subsidies. For that reason, it makes sense for states to disclose in their economic development data the ultimate parent company of a subsidy recipient. Besides corporate parents, knowing how many employees exist at a company is crucial to better understanding whether economic development deals are primarily benefiting big or small establishments. These data points should be included for each and every recipient of an economic development deal in a searchable and downloadable database.

Small Business Support Budget: We also recommend that states do for themselves what we did here for three. That is, each state should annually calculate how many of its economic development dollars are actually benefiting small, local and/or entrepreneurial businesses (preferably using the definitional criteria we employed in *Shortchanging Small Business*) and then determine what share that is of its total economic development budget. We think the resultant analysis would promote a healthy debate about state spending priorities.

And to repeat our primary recommendations from our last study, where we concluded that for states, it is "Time to Disqualify and Cap."

Reform program eligibility rules to disqualify big businesses. One could call it means testing corporate welfare. To do so is entirely consistent with the theory of incentives, which is to address "market imperfections," or to "prime the pump" and then pull back when the market's invisible hand takes over. Large companies by definition are less likely to need help: they have management depth, access to credit, and established markets for their products or services. Subsidizing large companies is, on its face, not "leveraging" something that would not have happened otherwise, yet that is the definition of the word "incentive."

Spend less by capping: states should substantially reduce the total amount of subsidy dollars flowing to big businesses, using safeguards such as dollar caps per deal (to end the surge since 2008 in nine- and ten-figure "megadeals"), dollar caps per job (to prevent the astronomical subsidy rates associated with capital-intensive projects like micro-chip fabrication plants), caps on what is called "aid intensity" or the ratio of public subsidy divided by private investment, and dollar caps per company (to prevent a dominant employer from distorting spending).[27]

APPENDIX I - STATE SPECIFIC DETAILED TABLES

FLORIDA

Program	Program Type	Program Cost	Program Cost Year	Program Cost Type	Program Information	Cost of Programs Open to **Large** Companies	Cost of Programs Open to **Small** Companies	Cost of Programs Open to **Any Size** Companies
Black Business Loan Program (i)	loans, loan guarantees, and investments to black businesses	$660,679	FY 2014	amount of loans or loans guarantees	Program for black business enterprises that cannot obtain capital through conventional lending institutions		$660,679	
Brownfield Redevelopment Bonus Refund (i)	tax refund	$599,076	FY 2014	amount paid	10 jobs and $2 million investment	$496,802	$102,274	*
Capital Investment Tax Credit (i)	tax credit	$7,174,654	CY 2013	amount claimed	Minimum of 100 jobs and $25 million in investment. Company must be in a designated sector	$7,174,654		
Economic Development Transportation Fund (i)	site and infrastructure development grant	$13,334,853	FY 2014	Amount paid	No minimum requirement but subsidy depends on the number of new and retained jobs. The agency in charge must ensure that small and minority businesses have equal access to the program.	$11,313,966	$2,020,887	*
Economic Gardening Technical Assistance Pilot Program (GrowFL) (ii)	Business loan and technical assistance program	The program was not funded in FY 2014	FY 2014	State appropriations	State-created organization for second-stage businesses with 10 -99 employees.		$0	
Enterprise Zone (i)	tax credits and refunds	$15,767,116	FY 2014	State credits approved	Corporate and sales tax credits for companies located in EZ. No minimum job creation or investment required. Program is phasing out.			$15,767,116
Export Marketing Plan	grant; export support program	Not Available	FY 2014	amount distributed	Company must be minimum 2 years in business, have no less than 5 employees, and annual sales $500,000 to $10 million		Not Available	
Florida Opportunity Fund: Fund-of-Funds Program (iii)	Venture Capital Program	$15,077,000	as of FY 2014	amount distributed	Venture capital for start-up and early-stage businesses.		$15,077,000	

FLORIDA

Program	Program Type	Program Cost	Program Cost Year	Program Cost Type	Program Information	Cost of Programs Open to **Large** Companies	Cost of Programs Open to **Small** Companies	Cost of Programs Open to **Any Size** Companies
Florida Small Business Development Center Network (housed at University of West Florida) (iv)	technical assistance	$4,000,000	FY 2014	State budget appropriations	A small-business organization supported by state, federal, and private money. The amount represents state annual allocations.		$4,000,000	
Florida Small Business Technology Growth Fund (i)	financial assistance	$0	FY 2014	No activity	Program for businesses with high job growth and emerging technology potential and with fewer than 100 employees		$0	
Gold Key/Matchmaker Grants	grant; export support program	Not Available			Company must have no more than 500 employees		Not Available	
High Impact Performance Incentive Grant (i)	cash grant	$6,600,000	FY 2014	Maximum payment in that year	Grants for major facilities that create minimum of 50 jobs and have $50 million in investment (lower standards R&D facilities)	$6,600,000		
Industrial Revenue Bonds	Bond Financing	Not Available			Certain bonds are for small manufacturers			Not Available
Innovation Incentive Program/Fund (i)	cash grant	$20,058,513	FY 2014	amount paid	No new applications are accepted. All discretionary funds have been awarded to ten R&D companies.	$20,058,513		
Minority Business Development: "G6" Partner Network	technical assistance and promotion network	Not Available			A network of several small business organizations managed by EFI.		Not Available	
Qualified Defense and Space Contractor Tax Refund (i)	tax refund	$678,266	FY 2014	amount paid	No minimum job creation requirement but a company must have a contract with the Department of Defense. No new applications are accepted.	$678,266		*
Qualified Target Industry Tax Refund (i)	tax refund	$6,287,071	FY 2014	amount paid	Creation of 10 jobs. 89 % of funds goes to large companies	$5,595,493	$691,577	*

FLORIDA

Program	Program Type	Program Cost	Program Cost Year	Program Cost Type	Program Information	Cost of Programs Open to **Large** Companies	Cost of Programs Open to **Small** Companies	Cost of Programs Open to **Any Size** Companies
Quick Action Closing Fund (i)	grant	$15,776,040 (additional $84,687,940 paid to an escrow account for future payments)	FY 2014	amount paid to businesses	Discretionary program with no minimum job or investment requirements. Projects are evaluated before funds' allocation	$15,296,635	$479,405	*
Quick Response Training (now FloridaFlex) (i)	training reimbursements	$18,637,161	FY 2014	approved Funds	No minimum job creation or trainees requirement	$15,464,346	$3,172,815	*
Research and Development Tax Credit (v)	tax credit	$9,000,000	CY 2014	credits allocated (also statutory cap)	Only companies benefiting from Qualified Target Industry are eligible. In CY 2016, the cap was increased to $23 million.	$9,000,000		
Rural Jobs Tax Credit (i)	tax credit	$27,000	CY 2013	tax credits approved	Companies must be in a Qualified Rural Area, must create new jobs, and must have between 10 (new companies) and 50 (existing companies) employees			$27,000
SBIR/STTR "Phase 0" Pilot Program	technical assistance and grants	Not Available			Participating company must be a small business group member in the state and must meet eligibility criteria for federal SBIR program		Not Available	
Strategic Partnerships with Small Business Programs	Small business promotion	Not Available			No specific requirements.		Not Available	
Target Sector Trade Grants	grant; export support program	Not Available			Company must have no more than 500 employees and exist for at least 2 years		Not Available	
Urban Job Tax Credit (i)	tax credit	$1,172,500	CY 2013	tax credits approved	Companies must be in a designated urban areas, must create new jobs, and must have between 10 and 30 employees (new companies) and 5 to 15 more employees than a year before (existing company)	$852,061	$320,439	*
						$92,530,737	**$26,525,076**	**$15,794,116**

Sources: (i) EFI and DEO 2014 Annual Incentive Report. (ii) Florida Department of Economic Opportunity 2013-2014 Annual Report. (iii) Florida Opportunity Fund, Fiscal Year End June 30, 2014, Annual Report. (iv) SBDC Florida 2015 Annual report. (v) Research and Development Tax Credit for Florida Corporate Income Tax, 2014 Allocation Report, Florida Department of Revenue.

MISSOURI

Program	Program Type	Program Cost	Program Cost Year	Program Cost Type	Program Information	Cost of Programs Open to **Large** Companies	Cost of Programs Open to **Small** Companies	Cost of Programs Open to **Any Size** Companies
Brownfield Jobs and Investment (i)	tax credit	$197,740	CY 2014	amount issued	No immediate information about the program is available		$197,740	
Brownfield Remediation (same as Brownfield Redevelopment Program) (i)	tax credit	$3,374,818	CY 2014	amount issued	Creation of 10 jobs or retention of 25. Distribution of $1,115,050 has not been specified.	$317,851	$1,941,917	
Business Use Incentives for Large-Scale Development(BUILD) (ii)	bond financing and tax credits	$13,250,000	FY 2014	amount issued	Companies must create 100 to 500 jobs and invest $10 million to $15 million. Four companies benefited from the program in FY 2014.	$13,250,000		
Business Facility Tax Credit Program (i)	tax credit	$6,102,658	CY 2014	amount issued	Program suspended as of 2004 but still pays out. The program required creation of 2 to 25 jobs and investment of $100,000 to $1 million, depending on the project type	$6,021,599	$81,059	
Chapter 100 Sales Tax Exemption, Personal Property	sales tax exemption	Not available			State sale tax exemptions for companies purchasing personal property through Chapter 100 bonds.			Not available
Customized Jobs Training Program, aka Missouri Works Job Development Fund (now part of Missouri Works Training) (i)	training assistance	$13,239,328 (no breakdown provided)	CY 2014	amount issued	In 2013, the Customized Jobs Training Program was replaced with Missouri Works Training. Under the new program, a company must have at least 2 employees, create or retain jobs, and have $150,000 in investment. Under the old rules, any company that created or retained jobs qualified.			$13,239,328
Enhanced Enterprise Zone (i)	tax credit	$7,550,086	CY2014	amount issued	2 new jobs and $100,000 in investment (or $1 million in investment for "Replacement business facility ")	$4,470,251	$3,079,833	

MISSOURI

Program	Program Type	Program Cost	Program Cost Year	Program Cost Type	Program Information	Cost of Programs Open to **Large** Companies	Cost of Programs Open to **Small** Companies	Cost of Programs Open to **Any Size** Companies
Global Market Access Program (ii)	export promotion	$427,770	FY2014	assets in the fund for redistribution;	Program targets small businesses, primarily manufacturers, with 500 or less employees and with annual sales of $25 million or less. The program is funded by State General Revenue.		$427,770	
Industrial Development Bonds (via MDFB) (ii) (iii)	bond financing	$0			There are two bonds programs available via MDFB, tax-exempt IRB ($400,000 to $10 million bonds for manufactures) and taxable IRB (more diverse programs that encourages "involvement of minority and women-owned businesses"). No bonds were issued in CY 2014	$0	$0	$0
Manufacturing Jobs Program (i)	withholding tax refund	$16,379,189	CY2014	amount issued	Manufacturers must have capital investment of $50,000 or $75,000 per retained job, depending on project type. Suppliers must create 5 new jobs	$16,379,189	$0	
Missouri Small Business & Technology Development Center (iv)	Business assistance programs	$700,000 (one time appropriation)	FY 2014	Missouri Small Business & Technology Development Center (iv)	SBTDC is an organization located at the University of Missouri at Columbia and provides consulting services to small companies and start-ups. The group is funded with federal, state, local and private monies.		$700,000	
Missouri Quality Jobs Program (i)	tax credit/ withholding tax refund	$51,238,124	CY2014	amount issued	In 2013, Missouri Quality Jobs ended but the program still pays out. Program required creation of 10 to 100 jobs, depending a project type	$40,886,473	$10,351,650	

MISSOURI

Program	Program Type	Program Cost	Program Cost Year	Program Cost Type	Program Information	Cost of Programs Open to **Large** Companies	Cost of Programs Open to **Small** Companies	Cost of Programs Open to **Any Size** Companies
Missouri Technology Investment, including: Missouri Technology Corporation, Innovation Centers, and Manufacturing Extension Partnership (iv)	technology extension service	$6,360,000	FY 2014	appropriation	MTC is a public private partnership that supports entrepreneurship. Innovation Centers provide specialized entrepreneurial and small business support services at ten locations in the state. MEP assists small and medium-sized manufacturers in the state		$6,360,000	
Missouri Works Program (i)	tax credit	$756,153	CY2014	amount issued	Created in 2013, the program includes five components directed at small and large companies	$176,872	$756,153	
New Jobs Training Program (now Missouri Works Training) (i)	training assistance	$2,829,479	CY2014	amount issued	In 2013, New Jobs Training Program was replaced with Missouri Works Training. The old program required creation of a substantial number of new jobs. Missouri Works Training is accessible to any size company	$2,158,892	$670,586	*
Rebuilding Communities (i)	tax credit	$1,873,110	CY2014	amount issued	To participate, a company must have fewer than 100 employees total at all facilities nationwide. The program was discontinued in 2013.		$1,734,694	
Retained Jobs Training Program (now referred to as Missouri Works Training) (i)	training assistance	$11,327,379	CY2014	amount issued	Retained Jobs Training Program required retention of at least 100 employees and investment of $1 million. The program was replaced in 2013 with more flexible Missouri Work Training program.	$11,327,379		
Small Business Incubator Tax Credit (i)	tax credit	$122,421	CY2014	amount issued	Tax credit based on contribution to an approved incubator. Program is capped at $500,000 per year.		$122,421	

MISSOURI

Program	Program Type	Program Cost	Program Cost Year	Program Cost Type	Program Information	Cost of Programs Open to **Large** Companies	Cost of Programs Open to **Small** Companies	Cost of Programs Open to **Any Size** Companies
Small Business Loan Program (including Small Business Disaster Loan Program) (ii)	loan	$1,064,046	FY2014	assets in the fund	The program is a cooperation between the Department of Economic Development and the Development Finance Board. The total original loan pool was $2 million. Eligible companies must employ 15 or fewer employees, must be Missouri owned and located in the state.		$1,064,046	
State Supplemental Tax Increment Financing (i)	TIF	$10,453,871	CY2014	amount issued	State level TIF program. There are no job creation or investment requirements			$10,453,871
Urban Enterprise Loan (i)	loan	$100,000	CY2014	amount issued	Program for Missouri small business owners. No new applications are accepted		$100,000	
						$94,988,506	**$27,410,998**	**$23,693,199**

Source: (i) 2015 Tax Credit Accountability Report, Missouri Department of Economic Development. (ii) Missouri Development Finance Board, Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2014. (iii) Email communication with MDFB, January 2016. (iv) 2015 Executed Budget, Department of Economic Development, Financial Summary.

NEW MEXICO

Program	Program Type	Program Cost	Program Cost Year and Type	Program Information	Cost of Programs Open to **Large** Companies	Cost of Programs Open to **Small** Companies	Cost of Programs Open to **Any Size** Companies
Angel Investment Credit	tax credit	$2,000,000	FY 2014 Program Cap (i)	A tax credit of up to $62,500 for investors who invest in New Mexico-based small businesses with 100 employees or less		$2,000,000	
High Wage Jobs Tax Credit	tax credit	$21,702,200	FY 2013 Expenditure (i)	A tax credit for employers that sell more than half their goods out of state and qualify for the JTIP; 93% of dollars went to big business per Shortchanging Small Business study	$20,183,046	$1,519,154	*
Industrial Revenue Bonds	Bonds that enable property tax breaks	Not Available	Not Available	Bonds sold at market-rates that enable special state and local property tax breaks			
Investment Tax Credit for Manufacturers	tax credit	$10,147,900	FY2013 Expenditure (i)	A tax credit for manufacturers that add at least one employee for every $500,000 in capital investment	$10,147,900		
Job Mentorship Tax Credit	tax credit	$14,400	FY 2014 Expenditure (i)	A tax credit for businesses hiring qualified students in career preparation programs			$14,400
Job Training Incentive Program (JTIP)	Grant program for job training	$4,025,771	FY 2014 Expenditure (i)	Direct job training reimbursement for manufacturing companies or companies that export outside the state	$2,492,371	$1,533,400	*
Local Economic Development Act (LEDA) Capital Outlay Funds	Grant program	$3,285,000	FY 2014 Expenditure (i)	State grants given to local governments that directly benefit companies expanding in New Mexico			$3,285,000
Locomotive Fuel Gross Receipts & Compensating Tax Exemption	Tax exemption and deduction	$7,800,000	FY 2014 Expenditure (i)	Tax breaks for common carrier freight companies making multi-million dollar capital investments in the state	$7,800,000		
New Mexico Small Business Assistance (NMSBA) Program	Technical assistance	$4,700,000	FY 2014 Amount Invested (iii)	Technical assistance to small businesses interested in commercializing research at major national laboratories		$4,700,000	
Rural Jobs Tax Credit	tax credit	$71,400	FY 2013 Expenditure (i)	Tax credits for companies qualifying for JTIP in rural areas			$71,400
Rural Software Development Gross Receipts Tax Deduction	tax credit	$1,480,000	FY 2014 Expenditure (i)	Tax credits for software companies in rural areas			$1,480,000
Space Gross Receipts Tax Deductions	Tax deduction	$100,000	FY 2014 Expenditure (i)	Tax breaks for companies operating space ports in New Mexico (primarily Space X and Virgin Galactic)			$100,000

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Program	Program Type	Program Cost	Program Cost Year and Type	Program Information	Cost of Programs Open to **Large** Companies	Cost of Programs Open to **Small** Companies	Cost of Programs Open to **Any Size** Companies
Technology Jobs and Research and Development Tax Credit	tax credit	$5,093,000	FY 2013 Expenditure (i)	Tax credits for companies making qualified research and development expenditures	$3,431,283	$1,661,717	*
TIDD (TIF)	TIF	$2,351,800	FY 2014 Expenditure (state portion) (i)	Tax increment financing for public infrastructure frequently benefiting private interests.			$2,351,800
Technology Transfer	Technical assistance	$300,000	FY 2015 Budget Appropriation (ii)	Technical assistance to small businesses within an incubator at New Mexico State University			$300,000
New Mexico Start Up Factory	Business incubator services	Not Available	Not Available	Technical assistance in bringing intellectual property to market			
Trade Support Company in a Border Zone	Tax deduction	$235,000	FY 2014 Expenditure (i)	Tax breaks for brokerage and freight forwarders near the Mexican border			$235,000
					$44,054,600	**$11,414,271**	**$7,837,600**

Sources: (i) 2014 New Mexico Tax Expenditure Report, New Mexico Taxation and Revenue Department (ii) FY 2015 General Appropriation Act of 2015, New Mexico Legislature. (iii) New Mexico Small Business Assistance Program 2014 Legislative Flyer.

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